

Board of Chiropractic Examiners

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Prohibited Referral

Payment for Referrals is Illegal--Section 650 of the Business & Professions Code (B&P Code) specifies:

“...the offer, delivery, receipt, or acceptance by any person licensed under this division of any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person, irrespective of any membership, proprietary interest or co-ownership in or with any person to whom these patients, clients, or customers are referred *is unlawful*...”

“...it shall not be unlawful...to refer a person to any laboratory, pharmacy, clinic...or health care facility solely because the licensee has a proprietary interest or co-ownership..., *provided*...that the licensee's return on investment...shall be based upon the amount of the capital investment or proportional ownership...which...is not based on the number or value of any patients referred. Any referral excepted under this section shall be unlawful if the prosecutor proves that there was no valid medical need for the referral.”

Prohibited Referrals: Financial Interests--Section 650.01 of the B&P Code states:

“(a) *Notwithstanding Section 650...*, it is unlawful for a licensee to refer a person for laboratory, diagnostic nuclear medicine, radiation, oncology, physical therapy, physical rehabilitation, psychometric testing, home infusion therapy, or diagnostic imaging goods or services if the licensee or his or her immediate family has a financial interest...”

“(f) A licensee who refers a person to, or seeks consultation from, an organization in which the licensee has a financial interest, other than as prohibited by subdivision (a), shall disclose the financial interest to the patient...in writing, at the time of the referral...”

Prohibited Referrals and Billings--Section 654.2 of the B&P Code says:

“(a) It is unlawful...to charge, bill, or otherwise solicit payment from a patient on behalf of, or refer a patient to, an organization in which the licensee, or the licensee's immediate family, has a *significant beneficial interest*, unless the licensee first discloses in writing to the patient that there is such an interest and advises the patient that the patient may choose any organization...”

Know the Law--Before entering into a questionable business practice, order a copy of the state law booklet from the Board and read all pertinent sections. You may also call the Board, consult with your attorney, and seek guidance from the California Chiropractic Association. Remember that unprofessional conduct is grounds for disciplinary action against your license, as well as criminal prosecution.